



January 14, 2014

City of Hayward City Council and Planning Commission
City of Hayward
777 B Street
Hayward, CA 94541

Re: Redevelopment of the former Mervyn's Headquarters

Dear City Council and Planning Commission Members:

I write to you at the request of Integral Communities, the applicant for a mixed-use infill development project on the former Mervyn's Headquarters site near Downtown Hayward.

As the founding principal of Design, Community & Environment, now The Planning Center | DC&E, I have over 25 years of planning and infill development experience in the Bay Area. My firm has engaged in infill planning efforts for a host of California communities, including the following:

- Walnut Creek BART Station Transit Oriented Development
- Sacramento Railyards Specific Plan
- Downtown Santa Rosa Station Area Specific Plan
- Fremont Central Business District Concept Plan
- Union City BART Joint Planning Study
- Palo Alto California Avenue Caltrain Station Area Master Plan
- City of Newark Dumbarton Station Master Plan
- Bergamot Station Specific Plan, Santa Monica

Beyond my work at The Planning Center | DC&E, my experience includes membership in the California Planning Roundtable, which is comprised of 36 of California's most preeminent planners.

Conveniently located near Downtown Hayward, BART, and freeways, the former Mervyn's Headquarters site offers a unique opportunity for the creation of housing-oriented mixed use. Given the site's location and trends in corporate campus development, holding this site for a strictly employment-oriented use would waste its immediate economic potential and would likely result in its continued vacancy. Fortunately, there are other Downtown and nearby sites that would be more appropriate for potential employment uses. Rather than hold out for an employment use that may never materialize, I urge the City of Hayward to approve



development of the former Mervyn's Headquarters site into a new mixed-use neighborhood.

Experiences from Other Cities

Other cities have faced similar choices in regard to promoting employment versus residential mixed use development, and have elected to abandon a focus on strictly employment uses in light of economic and other considerations. Moreover, communities that have waited for purely employment uses have often failed to attract desired development, prompting them to also eventually pursue mixed-use development. I would like to mention three specific examples:

- **Fremont Central Business District.** Originally conceived as an employment-only area, the roughly 400-acre Central Business District (CBD) in Fremont once featured land use and zoning restrictions that made it difficult if not impossible to develop residential or mixed-use projects. In the late 1990's, my firm completed the CBD Concept Plan, which strongly recommended that the City include housing in the area. The City Council declined to implement this recommendation at that time, yet later found that it was unable to utilize all lands in the CBD for employment-generating uses. Today, over a decade later, the City has started to allow and even encourage housing projects. New development in Fremont's CBD is now taking off, with residential uses at the forefront.
- **Union City BART Intermodal Station District.** Union City has a long and successful track-record of building housing on the west side of the City's BART station. However, the east side of the station was historically industrial. In the late 1990's, when PG&E announced that it would vacate its 30-acre Decoto Pipeyard, my firm was retained to study the site's future use and subsequently recommended residential mixed use to take advantage of proximity to transit. City staff rejected this recommendation, believing that the City needed to reserve this site for a single employer. Now, after several false starts at employment-generating development, the City has prepared a new plan for a mixed use Intermodal Station District, has constructed the first 157 units on the site, and hopes to build hundred more residential units.
- **Bergamot Station Area, Santa Monica.** Santa Monica's Bergamot District was historically a manufacturing area. With increasing adaptive reuse of industrial space for offices, the City of Santa Monica originally sought to redevelop the area primarily for employment uses. This idea,

however, was abandoned in favor of creating a 24-hour mixed-used district with a diversity of mutually supportive uses. The City asked my firm to prepare a Specific Plan for mixed use residential development in the area, having concluded that this represented the best opportunity for a self-sustaining revitalization that addressed economic realities and met community goals.

There are many more examples of residential mixed use development now being constructed on sites previously reserved for employment uses. A particularly relevant example is in Walnut Creek, where the 40,000 square foot former Long's Drugs Headquarters, located about one-half mile from the BART station, was previously designated for an employment use. Economic conditions, however, led the developer to conclude that a mixed-use project was more viable, and this approach won support from local decision makers. A 300-unit project, originally called Paragon and now known as BRIO apartments, is successfully moving forward.

The Mervyn's Headquarters Site

The location of the former Mervyn's Headquarters site makes it ideal for townhome style housing and appropriate supportive uses. Close enough to Downtown Hayward to allow residents to access its amenities on foot, by bike, and using transit, the site is also far enough from Downtown that residents would not be subject to some of the conflicts that can arise in close proximity to high-activity uses. At a walking distance of approximately two-thirds mile (about 12 minutes) from the Hayward BART station, the site is also close enough to the station that residents could access it without driving. Studies have shown that residents are generally willing to walk up to three-quarters mile to reach a high-quality rapid transit stop near their home. The site is also within approximately one mile of I-580 and I-238, offering residents convenient and direct automobile access to the region with minimal added traffic to local roadways.

While the site is an excellent candidate for mixed use residences, it does not appear viable as a modern employment site. Large employers are increasingly favoring sites that are directly located in Downtown settings and even more immediately adjacent to transit and urban amenities. Due to the "last-mile" problem, which refers to the need to travel the last mile from a transit stop to a non-central employment site, workers are generally less willing to walk as far from transit to their workplace as they are from their homes to a transit station. Additionally, companies are increasingly seeking to locate in exciting, highly urbanized areas that feature a diversity of supporting uses, and are gradually



abandoning the model of isolated campuses such as that which could be built on the Mervyn's site. The core of Downtown Hayward, in the triangle between Foothill Boulevard, Mission Boulevard and A Street, is slowly but surely developing the package of amenities that today's employers desire. It is also much closer to the BART station, thereby addressing the "last mile" problem. Any efforts by the City of Hayward to bring major new employers to the Downtown should focus on this core area, rather than on somewhat more peripheral sites like the Mervyn's site. The Downtown Core is the logical place for new employment uses in Hayward.

Moreover, locating new employment uses in the Downtown Core would also serve to synergistically strengthen the Downtown Core and create even more vitality there. Supporting employment uses in the Core and closer to BART would better encourage workers to linger in this area rather than merely passing through. The Downtown Core area has enough vacant or underutilized parcels to support a variety of sizes for future employment uses. The ability to right-size an employment use would also serve as a key selling point for small- to medium-size companies, which would likely be easier to recruit than the sort of large employer necessary for full redevelopment of the Mervyn's site.

Conclusion

Based on my knowledge of the Bay Area's economic and development climates and drawing upon my 25 years of planning experience, I strongly encourage the City of Hayward to support residential mixed-use development on the former Mervyn's site. A pure employment use would be challenging to achieve on the Mervyn's site and would be better located in the Downtown Core. Conversely, a residential mixed-use development could be realized more quickly and, at this particular location, would serve as a stronger force for Downtown revitalization.

Please don't hesitate to contact me if you have any questions.

Sincerely,

David Early, AICP, LEED AP